

CHANGING FAMILY STRUCTURE:
WHO CARES FOR AMERICA'S DEPENDENTS?

Peter A. Morrison

December 1986

RAND

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and Human Development

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PREFACE

This Note is a revised version of testimony prepared by the author at the request of the Subcommittee on Economic Resources, Competitiveness, and Security Economics of the Joint Economic Committee of Congress, and given at its July 31, 1986, hearings in Washington, D.C. The statement draws on research supported by Center Grant P50-HD12639 from the Center for Population Research, National Institute of Child Health and Human Development, U.S. Department of Health and Human Services.

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SUMMARY

This Note reviews several ongoing demographic changes in families and considers their implications for legislation. Those changes include the growing instability of contemporary families; their increasingly diverse, often nontraditional, forms; the altered social settings and economic circumstances affecting children; and the lengthening of life expectancy among older Americans.

In view of these changing demographic realities, it is essential that future social legislation recognize the growing diversity of families and incorporate technically sound demographic assumptions about the future. The following implications are noted:

1. *The family structures through which much social legislation operates will become increasingly varied and complex in the future.*

Nontraditional (single-parent) families are becoming more common, and traditional families are not enduring as long as they once did. Proportionally more children than before will spend some part of their childhood in a single-parent or blended family (containing stepchildren, half siblings, and stepparents).

2. *To be workable, future legislation intended to enforce "family responsibility" will need to accommodate that diversity and complexity.*

The majority of today's young children will, at some stage of their youth, become distanced from the economic support and care of one of their natural parents. Fitting the purposes behind "family responsibility" legislation to the realities of contemporary families will be fraught with potential unintended consequences. Filial, parental, and grandparental responsibilities will become more complex and open to legal dispute as blended families become more prevalent.

3. *Through population aging, the income security and health care needs of the elderly may increase more than federal planners now envision.*

To remain solvent in the next century, the Social Security system will have to squeeze more dollars out of a slowly growing or possibly shrinking work force to pay benefits to a swelling number of retirees

who were born during the baby boom. Future fertility levels will influence the size of the work force; future life expectancy will affect how long retirees continue to receive Social Security benefits. Present assumptions about these two demographic variables (as set forth in the 1986 Social Security Trustees Report) are overly narrow in what they envision and need to be revised.

4. The long-range demographic assumptions on which legislation is premised need careful and impartial scrutiny because they can invite a false sense of security.

It would be wise to institute a thorough and ongoing reappraisal of the demographic assumptions underlying the long-range forecasts the Congress uses. Those assumptions are critical in shaping legislators' views of families and of emerging future dependency relationships. They need to be realistic and up to date, and they must be formulated impartially.

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I. INTRODUCTION

American families have changed profoundly in the past two decades. As a result, legislation that once operated through families now confronts a drastically altered background: couples divorce, single women bear children, old people live alone, and blended families bring together children of two marriages. Family members' responsibilities to one another become hard to define and enforce through legislation based on traditional views of what the family should be like but no longer is.

Population researchers have been analyzing these changes and what they imply for the future. This Note will highlight certain points (drawn largely from studies sponsored by the National Institute of Child Health and Human Development (NICHD) Center for Population Research) and consider their implications for legislators. Those implications are grouped around three salient themes:

- Certain long-range demographic transformations now under way are eroding families' capacity to meet some of their dependent members' needs. For example, as more marriages end, more children get distanced from their fathers and the economic support they could provide. As more mothers enter the work force, fewer adults remain at home to care for young children or ailing parents.
- The same demographic changes are altering and clouding traditional notions about family responsibilities, which past legislation has often been intended to reinforce. As blended families become the norm, responsibilities between family members become complex, ambiguous, and more open to dispute.
- Our conception of family life--and of social legislation intended to operate through families--must allow for its growing diversity.

II. OVERVIEW OF CHANGES UNDER WAY

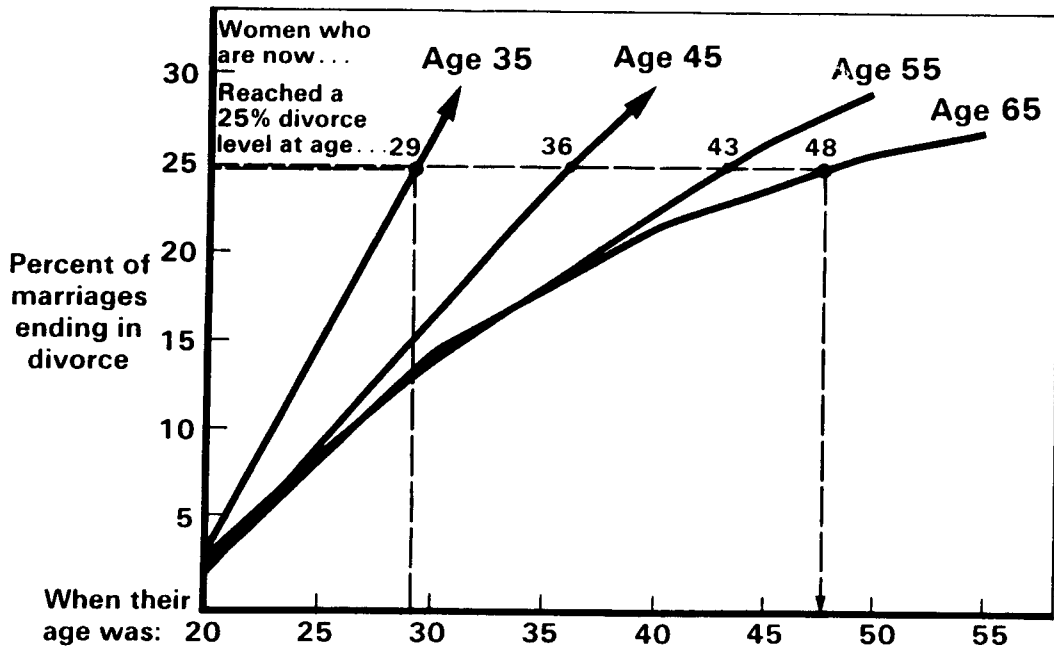
Fewer and fewer American families conform to traditional stereotypes. They are more diverse and less stable now than ever before. More children are born to unmarried mothers, and more childhood years are spent in fatherless families. Couples marry later and are quicker to divorce. Fifty-four percent of wives with preschool-age children are now in the work force (only 30 percent were in 1970). Some couples who are nearing retirement age are finding themselves caring for both an elderly parent and a divorced daughter with her children.

Nearly all of us have encountered such instances in our daily lives, but we may be less aware of the statistical realities, the most noteworthy of which center on:

- The instability of contemporary families;
- The increasingly diverse, often nontraditional, *kinds* of families that are being formed through remarriage and out-of-wedlock childbearing;
- The social settings and economic circumstances surrounding today's children;
- The lengthening of life expectancy among older Americans.

THE INSTABILITY OF CONTEMPORARY FAMILIES

Perhaps the central factor affecting the link between families and their dependents is marital dissolution. This is more than a matter of high divorce *rates*; recent research also confirms a pronounced shift in the *pattern* of divorce. Younger couples today not only divorce more readily but also do so earlier in their marriages, as illustrated in Fig. 1. One-quarter of the marriages contracted by women who are now in their mid-fifties had broken up by the time they reached age 43, on average. Children of these marriages were likely to be grown. But consider a woman now in her mid-thirties. For her generation, one-quarter of all marriages had already ended by age 29, when any children



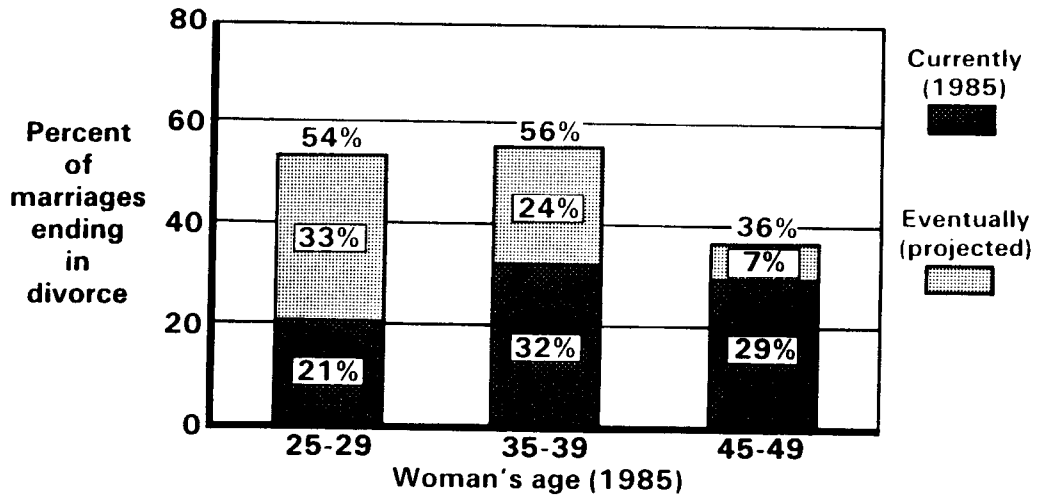
Source: Schoen et al. (1985)

Fig. 1 -- The trend toward earlier divorce

involved were young. Marital disruption thus tends to affect everybody--mothers, fathers, and children--much earlier in their lives. Consequently, contemporary children often spend part of their youth in single-parent families and thereafter enter blended families, along with stepparents and stepbrothers and sisters.

The level and pattern of divorce today foreshadow a future in which the majority of first marriages will end that way. For example, 56 percent of first marriages by women who were aged 35 to 39 in 1985 are projected to end in divorce (Fig. 2).

These are certainly not easy problems for legislators to deal with, especially if the aim is to encourage or even to mandate the shouldering of family responsibilities. Ambiguity is rampant. Is a father equally responsible for his natural children and his stepchildren--and they for him, if the law mandates that children must help pay for their parents' nursing home care? Which parents? What children? To what extent? And why?



Source: Norton and Moorman (1986)

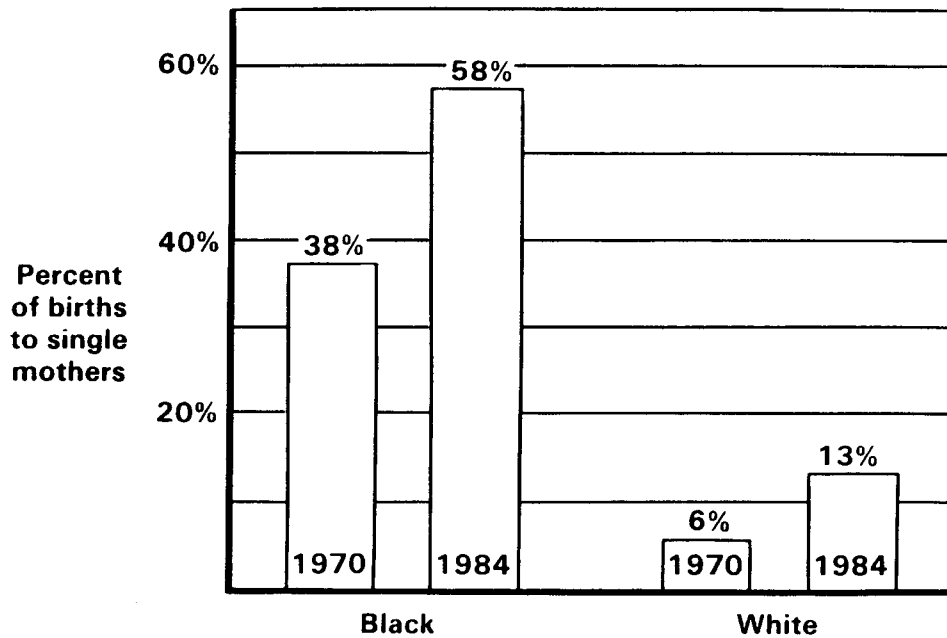
Fig. 2 -- Current and projected levels of divorce among the first marriages of ever-married women

FORMATION OF NONTRADITIONAL FAMILIES

Blended families are certainly not the only departure from old norms. A more disturbing departure is out-of-wedlock childbearing. Unmarried women gave birth to 770,000 babies nationwide in 1984--21 percent of all births that year, and the highest fraction ever recorded in the nation. This fraction varies sharply by race and has risen substantially since 1970, as seen in Fig. 3.

Both accident and intent are involved in the increased formation of these nontraditional families. Typically, young teenage mothers become pregnant accidentally, and their odds of doing so depend heavily on how soon (if at all) they begin using contraception effectively. (Teenage women commonly put off informing themselves about contraception for quite a while after they become sexually active--very nearly a year, by one estimate.¹)

¹See Zabin and Clark (1983).



Source: National Center for Health Statistics (1986)

Fig. 3 -- Rising proportion of births to unmarried women

Once, many teenage mothers would have married, but their numbers have dwindled in recent years. Today's teenage mother often shuns marriage as the risky proposition it is, and instead launches her own single-parent family. The man who fathered her child may seem a poor prospect as a provider.

Most of today's single mothers are not teenagers, though. Increasingly, they are mature single women--white women, unmarried, in their late twenties and thirties. (Such women have been giving birth at rates nearly 60 percent higher than a mere six years ago.) The explanation revolves around delayed marriage, greater economic self-sufficiency on the part of single adult women, and a stronger desire for a child than for a husband.

As social patterns of reproduction change, the ability of the resulting single-parent families to care for their children becomes a matter of serious public concern. The families formed by single teenagers are the most problematic because of their costs² to the public sector and the risks they impose on their children. The prenatal and postnatal care such children receive is deficient; they are less likely to gain the biochemical and immunological health benefits conferred through breastfeeding; and they are more prone to poverty.

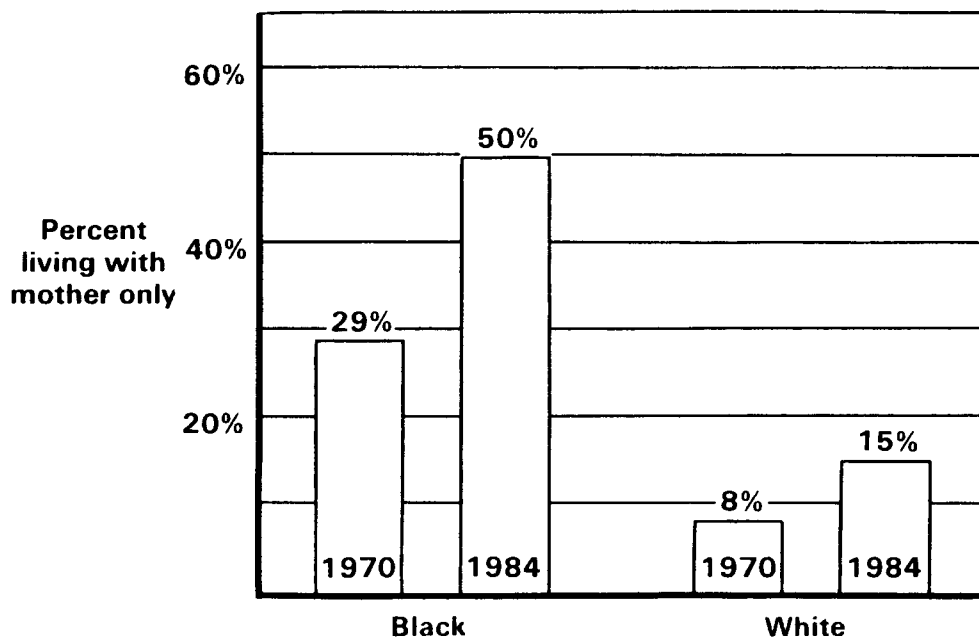
FAMILY STRUCTURE AND THE LIVES OF CHILDREN

Recent demographic research has traced how family instability and the formation of nontraditional families are altering children's experiences in families. We can chart those experiences statistically and, using carefully formulated assumptions, gain insights into the increasingly complex life-courses that children will encounter in the future.

With more children being born to unmarried couples and to couples whose marriages subsequently dissolve, children increasingly live with only one parent (typically the mother). Figure 4 displays this increase, but affords only a snapshot of children in families at several successive timepoints; many other children who *once* were in such families are now members of reconstituted two-parent families. Posing the question differently, we can ask: How many children *ever* experience life in a single-parent family?

Looking back at the generation of children born between 1950-1954 (who are now adults in their mid-thirties), 19 percent of the whites and 48 percent of the blacks spent some part of their youth in a one-parent

²For all families on Aid to Families with Dependent Children (AFDC) that began with a first birth to a teenage mother (single or married), the one-year 1985 combined costs of AFDC, Medicaid, and food stamps is estimated at \$16.65 billion (Burt, 1986).

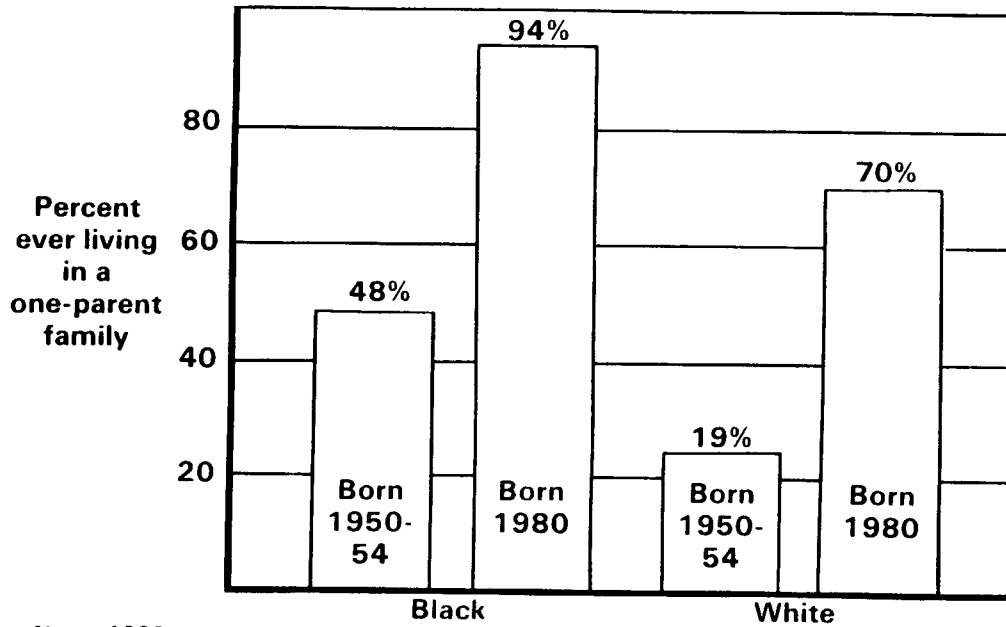


Note: Refers to children under age 18
Source: Census Bureau

Fig. 4 -- Rising proportion of children in fatherless families

family (see Fig. 5). Those figures will be much higher for the generation born in 1980, assuming that current trends continue. Among this year's six-year-olds, as many as two out of three white children and 19 out of 20 black children may spend part of their first 18 years in a single-parent family. (Other plausible assumptions, of course, could imply somewhat lower levels.)³ One reason these figures are so high is that a substantial fraction of children in the mid-1980s start life out being born to a single parent.

³Bumpass (1984); Norton and Glick (1986).



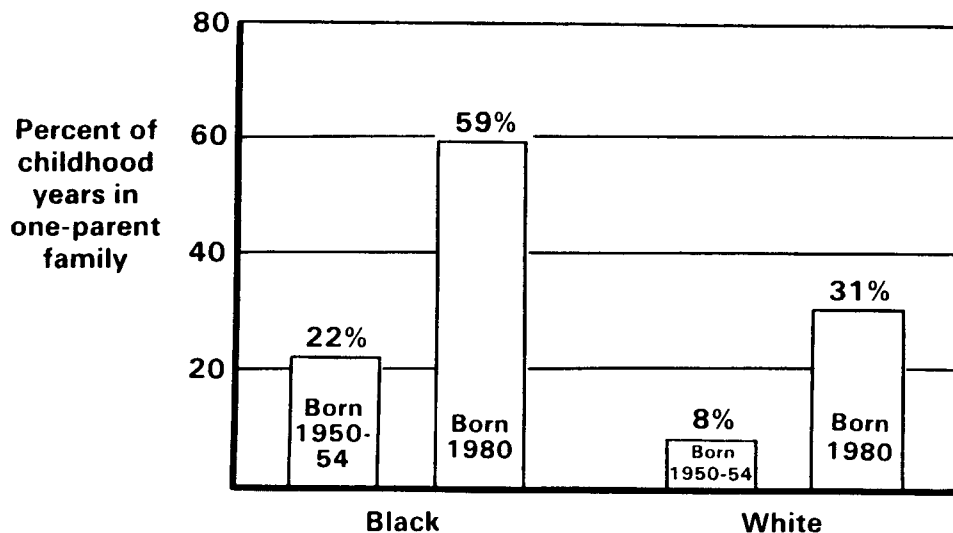
Note: 1980 projected for synthetic cohort
Source: Hofferth (1985)

Fig. 5 -- Rising proportion of children projected to experience life in a single-parent family

Under these same assumptions, we see in Fig. 6 that the average child's stay in a single-parent family is not brief. These white six-year-olds would live 31 percent of their youthful years with one parent (compared with 8 percent for whites now in their mid-30s); today's black six-year-olds would live 59 percent of their youth with one parent (versus only 22 percent for blacks before).

INCREASING LONGEVITY IN OLD AGE

The United States has entered a historically unique era of population aging, during which older Americans will become more numerous and will live longer than ever before. The full force of these impending shifts will occur during a short period of intense change commencing 26 years from now in the year 2012, when the large baby boom generation will start turning 65.



Note: 1980 projected for synthetic cohort
Source: Hofferth (1985)

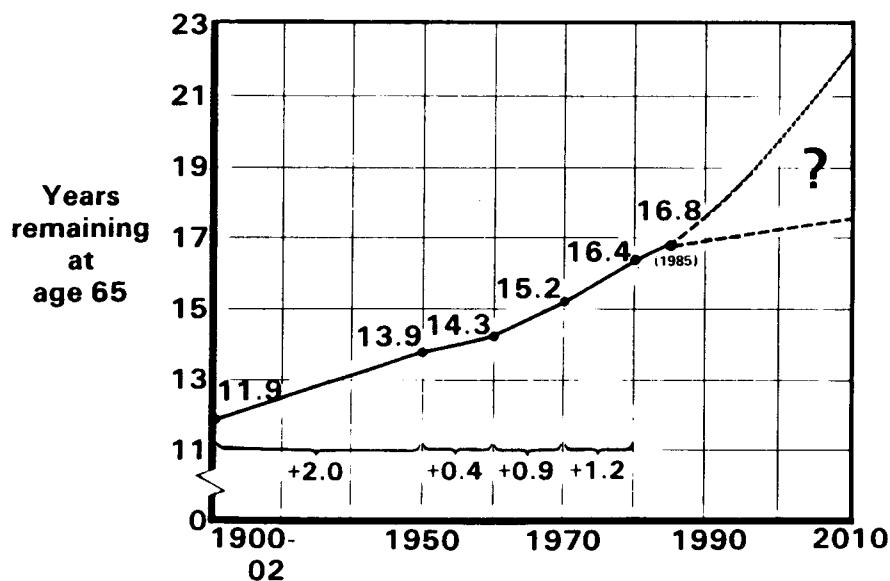
Fig. 6 -- Increasing proportion of youth projected to be spent with only one parent

Currently, some 28 million Americans are 65 or older and make up 12 percent of the population. By the year 2025, the elderly population will number 59 million and make up 19.5 percent of the population-- 2 percentage points higher than the elderly's portion of Florida's population today. Nationally, the fraction may peak at around 22 percent by the middle of the 21st century.

Population aging will also concentrate older persons at the more extreme elderly ages, where chronic health conditions become more prevalent and activity limitations increase the need for long-term care. People over age 85 now make up only 9 percent of all the elderly, but their numbers will grow to 13 percent by 2025 and peak at 24 percent by 2050. This increase in the extreme elderly population means that older persons will be more likely themselves to have a surviving parent,

furthering the emergence of the "two-generation geriatric family." Indeed, four- and five-generation families will become more common as the number of co-existing generations expands.

The sheer size of the baby boom generation is the major foreseeable factor behind these changes that are in store. However, the lengthening expectation of life among the elderly will further swell the ranks of the extreme elderly, increasing dependency needs disproportionately. In 1960, an average 65-year-old person could expect to live 14.3 more years. That figure represented a 2.4-year gain since 1900 (see Fig. 7). By 1985, that figure had risen 2.5 years further, to a life expectancy of 16.8 more years. The gain over just the past 25 years, then, exceeds the gain of the first six decades of the century. Improved access to medical care, new health technology, life style changes, and a widespread concern with physical fitness may have all played a part.



Source: National Center for Health Statistics (1986)

Fig. 7 -- Increase in life expectancy at age 65

How much further will the life expectancy of future older Americans extend and how rapidly? How much more (or less) will those added years be burdened with the chronic and disabling health conditions that presently manifest themselves at these ages? These and several other demographic uncertainties must now be weighed cautiously, for they will carry massive implications when the baby boom generation reaches this age range.⁴

Such uncertainties pose an important general point (to which I return below) about the technical demographic assumptions on which Congressional views of the future are premised. Legislators need to revisit those assumptions regularly to assess their validity.

⁴There is a modest, rapidly expanding demographic literature on these points. See, for example, Crimmins (1983); Manton and Soldo (1985); Vaupel and Yashin (1985); and Verbrugge (1984).

III. IMPLICATIONS

Let me now summarize the major implications of these changing demographic realities. They center on two broad concerns: First, accommodating in future social legislation the growing diversity of families; second, ensuring that Congressional views are premised on technically sound demographic assumptions about the future.

ACCOMMODATING FAMILIES' DIVERSITY

1. *The family structures through which much social legislation operates will become increasingly varied and complex in the future.*

Nontraditional (single-parent) families are becoming more common, and traditional families are not enduring as long as they once did. The majority of today's young children will spend some part of their childhood in a single-parent or blended family, distanced from the economic support and care of one of their natural parents.

2. *Future legislation intended to enforce "family responsibility" will need to accommodate that diversity and be carefully drawn to avoid invalidation in courts of law.*

Fitting the purposes behind "family responsibility" legislation to the realities of contemporary families will be fraught with potential unintended consequences. Responsibilities across generations will become more complex, and open to legal dispute, as reconstituted families (containing stepchildren, half-siblings, and stepparents) become more prevalent.

Wisconsin, for example, recently enacted a "grandparents' liability" law, which holds parents financially responsible for infants born to their unmarried children under 18. The law is intended to reduce the number of teenage abortions and pregnancies by giving parents a larger stake in educating their children about sexuality and contraception.

But what happens where a divorced mother has remarried, and years later her unmarried daughter makes her a grandmother? Should Wisconsin impose the duty of support on the natural grandfather (who has been an

absentee parent) or the adoptive grandfather (who has played an active parental role)--or both?

Similarly, laws enacted in some states require the children of Medicaid recipients to help pay for their parents' nursing home care. The Department of Health and Human Services is considering proposals that would deny Medicaid benefits to people needing long-term care if their parents or spouses are able, but refuse, to defray some of the cost--even at the expense of some other disabled family member.¹

But consider an unmarried woman with minor children, one of them handicapped. Suppose she marries a man who develops a chronic health condition that is expensive to treat. If he adopts her children, are *they* legally obligated to pay some of his medical expenses--eventually wiping out trusts which she and their natural father jointly established to provide for one's college tuition and the other's institutional care? Those children probably would need a lawyer, rather than a mother, to represent their interests.

These illustrations make a common point: Where legislation is narrowly designed to reinforce traditional concepts of family obligations, and therefore overlooks the complex realities of today's families, it may wreak unintended damage. (Recall how the former "man-in-the-house" rules broke up low-income families so that children could become eligible for AFDC benefits.) Such legislation can just as readily destroy family ties as make them stronger.

CONSTRUCTING DEMOGRAPHIC ASSUMPTIONS ABOUT THE FUTURE

3. *The income security and health care needs of the elderly may increase more than federal planners now envision as the population ages and mortality is delayed.*

¹In a description of its plan, reported in *The New York Times*, July 13, 1986, DHHS says: "Proposing to increase family financial responsibility for long-term care is likely to be controversial, especially as it affects parents whose children face years of institutional care. Family refusal would lead to the loss of eligibility. The severity of these consequences provides the incentive for the spouse or parent to pay the required amount." ("Curbs on Medicaid Being Considered", p. 1.)

To remain solvent in the next century, the Social Security system will have to squeeze more dollars out of a slowly growing or possibly shrinking work force to pay benefits to a swelling number of retirees who were born during the baby boom. Future fertility levels will influence the size of the work force; future life expectancy will affect how long retirees continue to receive Social Security benefits.

Demographic changes will also intensify future health care needs: first, through the baby boom surge early next century; second, through the disproportionate shift within the elderly age range toward the very old ages, at which the prevalence of chronic and disabling conditions is highest; and third, through delays in mortality, which alter the composition of the living population.

4. The long-range demographic assumptions on which legislation is premised need careful and impartial scrutiny, because they can invite a false sense of security.

The financing of the Social Security system illustrates this point: Long-range financial imbalances can be made to appear or disappear, depending on one's demographic assumptions. The 1986 OASDI Trustees Report on the system's actuarial status for the next 75 years relies on several alternative sets of economic and demographic assumptions to establish "a reasonable range of possible future experience" (Board of Trustees, p. 3). With respect to future fertility, those assumptions establish a range for the ultimate total fertility rate (TFR) extending from a "pessimistic" low of 1.6 births per woman to an "optimistic" high of 2.3, with an intermediate level of 2.0 births. The intermediate assumptions show the OASDI to be in close actuarial balance.² The pessimistic assumptions, however, imply a substantial actuarial deficit: The average cost rate would exceed the average income rate by 35 percent.

In my judgment, the demographic elements in these scenarios are not entirely realistic. The so-called "pessimistic" demographic assumptions strike me as more than remotely possible.³ The total fertility rate has

²"Close actuarial balance" is defined as an average income rate between 95 and 105 percent of the average cost rate.

³See Westoff (1986).

hovered around 1.8 since 1975. Perhaps it will rise to 2.0. On the other hand, it might sink to 1.6 or below and stay there, as has already occurred in a number of West European nations (Switzerland, The Netherlands, West Germany, and others). The shift of married women into paid employment implies small families in the future, and we have witnessed the emergence of a trend toward voluntary childlessness.

As for future life expectancy, a number of recent studies raise disturbing doubts in my mind about the assumed future levels.⁴ They may understate future life expectancy in old age, lengthening considerably the period over which retirees would be eligible to receive Social Security benefits. Misjudging this possibility could prove to be an extremely expensive error.

In short, if the intent here is to consider a plausible range of demographic possibilities, I believe the present assumptions as set forth in the 1986 Social Security Trustees Report are overly narrow in what they envision. They invite a false sense of security and need to be revised.

These considerations raise a more general concern with the vulnerability of inherently technical demographic assumptions to misspecification. (See, for example, U.S. General Accounting Office, 1986.) Our understanding of the demographic transformations outlined above has expanded considerably in recent years. Legislators now have at their disposal a substantial body of scientific knowledge and range of demographic expertise.

It would be wise to institute a thorough and ongoing reappraisal of the demographic assumptions underlying the long-range forecasts the Congress uses. Those assumptions are critical in shaping legislators' views of families and of emerging future dependency relationships. They need to be realistic and up to date, and they must be formulated impartially.

⁴Crimmins (1983, 1984); and Vaupel and Yashin (1985).

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